

Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 EB-11 COME-00 TRSE-00 OMB-01

INT-08 SCEM-02 STR-08 CEA-02 CIEP-02 AID-20 (ISO) R

DRAFTED BY ARA/NC:FJDEVINE

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ARA:JBKUBISCH (SUBS)

E:MR. CASEY (SUBS)

ARA/NC:MFORRESTER

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R 042347Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS: ENRG, VE

SUBJECT: PRESS REPORTS OF US AND VENEZUELAN OFFICIALS
STATEMENTS ON ENERGY RESOURCES

1. PRENSA LATINA STORY DATELINED CARACAS DECEMBER 2
QUOTES AMBASSADOR MC CLINTOCK AS STATING HIS SATISFACTION
AT PROSPECTS VENEZUELA MAY INCREASE ITS OIL SALES TO THE
UNITED STATES. HIS REMARKS WERE IDENTIFIED AS RELATING
TO RECENT STATEMENTS BY UNDER SECRETARY FOR ECONOMIC
AFFAIRS CASEY.

2. SAME STORY SAYS MIN MINES PEREZ LA SALVIA PUBLICLY
REFUTED CASEY'S STATEMENTS AND SAID INTER ALIA "THE
ORINOCO OIL BELT (WHOSE OIL RESERVES ARE ESTIMATED AT
70 BILLION BARRELS) WILL NOT BE TURNED OVER TO FOREIGN
COMPANIES. VENEZUELA WILL FULFILL ITS COMMITMENT TO
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SUPPLY OIL TO THE US BUT SHE WILL NOT INCREASE PRODUCTION

OR SUBJECT HER DEVELOPMENT POLICY TO FOREIGN DECISION MAKING. WE HAVE BEEN TRADITIONAL SUPPLIERS OF OIL TO THE UNITED STATES. WE HAVE DONE SO IN WAR AND PEACE BECAUSE THE UNITED STATES HAS ALWAYS BEEN OUR BEST PURCHASER OF HYDROCARBONS. I DO NOT SEE WHY WE CANNOT KEEP ON SELLING OIL TO THE UNITED STATES AS WE HAVE BEEN DOING. WE DEFINITELY HAVE NOT DISCUSSED THE ORINOCO OIL BELT, AND DO NOT INTEND TO DISCUSS IT. AS I HAVE SAID, AND I

WANT TO REPEAT, WE HAVE DECIDED TO KEEP THIS OIL BELT AS A STRATEGIC RESERVE TO MEET OUR FUTURE ENERGY NEEDS. BESIDES, OUR PRESENT OIL POLICY IS GUIDED BY THE NEW SIGNS OF INDUSTRIALIZATION.

3. MINISTER LA SALVIAS STATEMENT WAS APPARENTLY BASED ON A WASHINGTON REPORT WHICH SAID: "CASEY YESTERDAY EXPRESSED THE HOPE THAT THE UNITED STATES WOULD BE ABLE TO COUNT ON THE ORINOCO BELT IN ADDITION TO THE SHALE DEPOSITS IN THE UNITED STATES AND IN ATABASCA, CANADA. THIS STATEMENT BY CASEY IS INTERPRETED AS A US HOPE OF INVESTING HEAVILY IN THE FUTURE EXPLOITATION OF THIS OIL."

4. IN VIEW OF THIS POLEMIC, YOU SHOULD KNOW THAT UNDER SECRETARY CASEY ACTUALLY SAID: "...THE UNITED STATES WITH HALF THE WORLD'S COAL AND ITS HUGE SHALE DEPOSITIS, ALONG WITH CANADA AND ITS TAR SANDS AND VENEZUELA WITH ITS HEAVY OIL IN THE ORINOCO RIVER BASIN, HAS A LARGER PROPORTION OF THE WORLD'S ENERGY RESOURCES THAN THE MIDDLE EAST AND AT TODAY'S PRICES FOR CRUDE OIL IT HAS BECOME ECONOMIC TO DEVELOP THEM." KISSINGER

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